The production and delivery of health care involves a complex chain of relationships between individuals and organisations. In low-income countries (LICs) these relationships are made more complex through the role of donor agencies and supra-national bodies (such as the World Health Organisation) that place requirements or limitations on health care delivery.

The economics of Industrial Organisation provides a strong framework for conceptualising the relationships between productive entities in what is termed the vertical chain of production. Industrial Organisation theory highlights the alternatives of reliance on market transactions (one entity buying from another at a fixed price), contractual relationships (one entity entering into a more complex, long-term conditional payment arrangements with another) and integration (two entities joining together to form a single organisation) (see Besanko et al, 2017). The design of contractual mechanisms, especially as applied to the delivery of health care, has been a substantial focus in health economics in high-income countries (Perrot, 2006).

The tools of Industrial Organisation and contract theory are beginning to be applied to the design of health system reform in LICs but this work is still in its infancy (Chalkley et al, 2016). Typically, industrial organisation approaches to the management of vertical relationships do not account for the preponderance of different forms of ownership (and hence motivation), the complicated institutional settings or the roles of government and supra-governmental bodies that characterise LIC health care delivery. Similarly, contractual approaches to health care are often predicated on the need to restrict rather than expand delivery and do not typically account for the particular circumstances that characterise LICs, such as the presence of faith-based providers and generic shortages of health care professionals.

The aim of this PhD is to develop and adapt models and conceptual frameworks from Industrial Organisation and contract theory to the specific requirements of LICs with a particular focus on Malawi and Uganda. This is an exciting opportunity to work with researchers (experts in both the theory and empirical testing of health economics models) and policy-makers to develop and show the value of a domain of health economics that has had relatively little impact in LICs but which exhibits considerable promise. The candidate’s thesis can have either a theoretical or empirical focus or elements of both. It will expand knowledge in respect of how Industrial Organisation and contract economics can be applied to improve health system performance in LICs. Candidates will need a strong background in economics and to be comfortable with the concepts and methods of Industrial Organisation.
Organisation, markets and incentives. A solid understanding of methods for analysing observational administrative data (such as panel-data econometrics) will be an advantage.

References

